



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0442	Title:	Establish resource limits for public assistance programs
Primary Sponsor:	Wittich, Art	Status:	As Introduced

- | | | |
|---|---|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact: HB 442 establishes family resource limits for the Children's Health Insurance Program (CHIP) eligibility for youth 18 years of age or under effective October 01, 2019. To the extent that the Children's Health Insurance Program (CHIP) is re-authorized by October, 2019 and this legislation takes effect, the Montana CHIP program would be out of compliance with Federal regulations. Based on the current (FY 2015) projected costs for the CHIP program of \$98.8 million, Montana would lose the federal participation fund portion of the program, and approximately 28,500 children would lose health insurance in FY 2020.

FISCAL ANALYSIS

Assumptions:

1. There would be no fiscal impact until FY 2020 (see Long Term Impacts.)

Long-Term Impacts:

1. To the extent that the Children's Health Insurance Program (CHIP) is re-authorized by October, 2019 and this legislation takes effect, the Montana CHIP program would be out of compliance with Federal regulations.
2. Based on the current (FY 2015) projected costs for the CHIP program of \$98.8 million, Montana would lose the federal participation fund portion of the program.
3. In FY 2015, the CHIP program is estimated to provide health insurance to an average of 28,496 children per month. These children would lose health insurance as a result of this legislation.

Technical Notes:

1. According to 42 USC 1396a (e) 14 (C) "A State shall not apply any assets or resources test for purposes of determining eligibility for medical assistance under the State plan or under a waiver of the plan." According to 42 CFR 435.603, CHIP is incorporated by cross reference into the above language. If HB 442 was passed and CHIP is reauthorized, Montana would not receive federal financial participation for its CHIP program.
2. If there was legislative will to operate a state only funded program upon enactment of this legislation, changes would be required in the eligibility determination system.

Sponsor's Initials

Date

Budget Director's Initials

Date